

**MISSOURI STATE AUDITOR'S OFFICE  
FISCAL NOTE (16-061)**

**Subject**

Initiative petition from Winston Apple regarding a proposed amendment to Chapters 130 and 143 of the Revised Statutes of Missouri. (Received May 18, 2015)

**Date**

June 8, 2015

**Description**

This proposal would amend Chapters 130 and 143 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2016.

**Public comments and other input**

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education**, the **Department of Health and Senior Services**, the **Department of Insurance**, **Financial Institutions and Professional Registration**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County Legislators**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, and **St. Louis Community College**.

**Assumptions**

Officials from the **Attorney General's office** indicated they assume that any potential costs arising from the adoption of this proposal can be absorbed with existing resources.

Officials from the **Department of Economic Development** indicated no impact for their department.

Officials from the **Department of Elementary and Secondary Education** indicated no impact on their department.

Officials from the **Department of Higher Education** indicated they reviewed the provisions of this initiative petition and determined that, because it would redirect a portion of an individual's tax payment to a dedicated new fund, the provisions would reduce the amount of state tax revenue available for other purposes, including higher education programs and state agencies. However, because they were unable to determine what percent of taxpayers would elect to make the redirection, it is unknown how large this impact would be. Consequently, the impact in their department is unknown.

Officials from the **Department of Health and Senior Services** indicated no fiscal impact on their department.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** indicated this petition, if passed, will have no cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated no fiscal impact on their department.

Officials from the **Department of Revenue** indicated the total estimated costs would be \$254,025 for FY 2016 including one-time information technology costs of \$159,084, \$100,157 for FY 2017, and \$101,192 for FY 2018.

This petition redirects revenues from General Revenue to the Missouri Elections Trust Fund.

#### Section 130.230

This petition creates the Missouri Elections Trust Fund to provide public campaign financing for candidates for office. This section also creates the Public Finance Commission to administer the trust fund.

#### Section 143.990

This section allows single taxpayers or corporations who have paid at least \$25 in state income tax to designate \$5 of the tax to be paid to the Missouri Elections Trust Fund. Those taxpayers who are married, filing combined returns, and have paid at least \$50 may designate \$10 to the Missouri Elections Trust Fund.

#### Administrative Impact:

The Department requires form and programming changes to personal and corporate tax systems. The information technology costs for FY 2016 would be \$159,084.

#### Personal Tax:

Personal Tax requires two (2) Temporary Tax Employees for keying returns and one (1) Revenue Processing Technician I (Range 10, Step L) for processing returns.

#### Corporate Tax:

Corporate tax requires one (1) Revenue Processing Technician I (Range 10, Step L).

Officials from the **Department of Public Safety** indicated they see no fiscal impact due to this initiative petition.

Officials from the **Department of Social Services** indicated no fiscal impact on their department.

Officials from the **Governor's office** indicated this proposal requires the Governor to nominate the seven members of the Public Finance Commission. This can be completed by existing staff so there should be no fiscal impact to their office.

Officials from the **Missouri House of Representatives** indicated no impact to their office resulting from this initiative petition.

Officials from the **Department of Conservation** indicated that no adverse fiscal impact to their department would be expected as a result of this proposal.

Officials from the **Office of Administration** indicated:

The proposal enacts two new sections of law.

Section 130.230 creates the Missouri Elections Trust Fund to provide public financing for candidates who agree to meet certain conditions and limitations.

Section 143.990 allows individuals and corporations to designate five dollars of their taxes paid to be deposited in the Missouri Elections Trust Fund instead of into the General Revenue Fund. This will be a cost to general revenue of an unknown amount.

This proposal will have no impact on the Office of Administration.

NOTE: There appear to be multiple drafting errors in the proposal. The Missouri Elections Trust Fund is created in 130.230.1, however there are multiple references to the Government by the People Trust Fund, which is not defined, throughout the remainder of that section.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated no fiscal impact on their office.

Officials from the **Secretary of State's office** indicated their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Their office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. Funding for this item is adjusted each year depending upon the election cycle with \$1.3 million historically appropriated in odd numbered fiscal years and \$100,000 appropriated in even numbered fiscal years to meet these requirements. Through FY (fiscal year) 2013, the appropriation had historically been an estimated appropriation because the final cost is dependent upon the number of ballot measures approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2013, at the August and November elections, there were 5 statewide Constitutional Amendments or ballot propositions that cost \$2.17 million to publish (an average of \$434,000 per issue). In FY 2015, the General Assembly changed the appropriation so that it was no longer an estimated appropriation and their office was appropriated \$1.19 million to publish the full text of the measures. Due to this reduced funding, their office reduced the scope of the publication of these measures. In FY 2015, at the August and November elections, there were 9 statewide Constitutional Amendments or ballot propositions that cost \$1.1 million to publish (an average of \$122,000 per issue). Despite the FY 2015 reduction, their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will not have any substantial impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition.

Officials from the **City of Columbia** indicated they do not expect a fiscal impact from this proposed amendment.

Officials from the **City of Kansas City** indicated this initiative petition has no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no anticipated impact for their college.

The State Auditor's office did not receive a response from the **Department of Agriculture, the Department of Transportation, Adair County, Boone County, Callaway County, Cass County, Clay County, Cole County, Jackson County Legislators, Jasper County, St. Charles County, St. Louis County, Taney County, the City of Cape Girardeau, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, State Technical College of Missouri, University of Missouri, and St. Louis Community College.**

### **Fiscal Note Summary**

State government entities expect one-time costs of about \$159,000 and annual costs exceeding \$100,000. Also, an unknown amount of revenue will not be available for state General Revenue Fund spending. Local governmental entities expect no costs or savings from this proposal.